

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:1790

ANSWERED ON:25.07.2002

PRICE FIXATION FORMULA ON SALE OF CRUDE OIL TO REFINERIES

NAWAL KISHORE RAI;SUSHIL KUMAR INDORA

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether a price fixation formula has been devised to sell domestic crude oil to oil refineries;
- (b) if so, the details thereof;
- (c) whether the implementation of formula has resulted in some differences between the sellers and buyers of oil;
- (d) if so, the details thereof;
- (e) whether the Government played any role in solving the said differences; and
- (f) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS. (SHRI SANTOSH KUMAR GANGWAR)

(a) to (f): With the dismantling of the Administered Pricing Mechanism effective 1st April 2002, the pricing of indigenous crude oil produced by the public sector oil companies has been decontrolled. These companies are in the process of finalizing the terms and conditions of the sale of crude oil produced by them with the public sector oil refining companies.